



DEPARTMENT : CORPORATE SERVICES

KCDMC : 575/2017/J Naidoo
DM#109418

INTERNAL MEMORANDUM

TO : MUNICIPAL MANAGER
DEPUTY MUNICIPAL MANAGER : PLANNING & DEVELOPMENT
DEPUTY MUNICIPAL MANAGER : CORPORATE SERVICES
DEPUTY MUNICIPAL MANAGER : FINANCIAL SERVICES
DEPUTY MUNICIPAL MANAGER : TECHNICAL SERVICES
DEPUTY MUNICIPAL MANAGER : COMMUNITY SERVICES

FROM : SENIOR MANAGER : ADMIN SERVICES

DATE : 02 JUNE 2017

RE : FINAL MTREF REPORT FOR KING CETSHWAYO DISTRICT
MUNICIPALITY FOR THE PERIOD 2017/2018 TO 2019/2020

I hereby wish to inform you that Council during a meeting held on 26 May 2017, (Item KCDMC : 575/2017), resolved that :

1. The 2017/2018 Multi Year budget as per the A schedules below, be approved :

DC28 King Cetshwayo - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	85 624	92 066	99 069
Service charges	-	-	-	-	-	-	-	37 834	44 308	46 966
Investment revenue	-	-	-	-	-	-	-	523 525	517 977	554 463
Transfers recognised - operational	-	-	-	-	-	-	-	7 677	1 234	1 305
Other own revenue	-	-	-	-	-	-	-	654 659	655 604	701 804
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	229 690	243 241	257 350
Employee costs	-	-	-	-	-	-	-	12 153	12 870	13 617
Remuneration of councillors	-	-	-	-	-	-	-	86 211	91 384	96 867
Depreciation & asset impairment	-	-	-	-	-	-	-	6 432	8 097	10 169
Finance charges	-	-	-	-	-	-	-	68 455	70 885	75 066
Materials and bulk purchases	-	-	-	-	-	-	-	8 688	6 490	7 198
Transfers and grants	-	-	-	-	-	-	-	338 717	361 126	376 183
Other expenditure	-	-	-	-	-	-	-	750 246	794 092	836 449
Total Expenditure	-	-	-	-	-	-	-	(95 586)	(138 488)	(134 646)
Surplus/(Deficit)	-	-	-	-	-	-	-	289 758	325 920	345 589
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	194 172	187 431	210 943
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	194 172	187 431	210 943
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	383 930	514 861	557 886
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	326 102	377 609	351 009
Transfers recognised - capital	-	-	-	-	-	-	-	289 758	325 920	345 589
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	36 344	5 300	5 420
Internally generated funds	-	-	-	-	-	-	-	326 102	377 609	351 009
Total sources of capital funds	-	-	-	-	-	-	-	748 306	789 458	752 027
Financial position										
Total current assets	-	-	-	-	-	-	-	450 254	508 355	620 490
Total non current assets	-	-	-	-	-	-	-	2 604 855	2 891 032	3 145 135
Total current liabilities	-	-	-	-	-	-	-	126 760	138 298	142 109
Total non current liabilities	-	-	-	-	-	-	-	151 532	199 117	202 850
Community wealth/Equity	-	-	-	-	-	-	-	2 776 817	3 061 973	3 420 665
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	275 384	273 380	301 895
Net cash from (used) investing	-	-	-	-	-	-	-	(318 880)	(377 566)	(350 976)
Net cash from (used) financing	-	-	-	-	-	-	-	(9 558)	41 296	(6 096)
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	249 372	186 482	131 304
Cash/banking/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	384 279	435 784	540 675
Application of cash and investments	-	-	-	-	-	-	-	349 747	375 717	394 338
Balance - surplus (shortfall)	-	-	-	-	-	-	-	34 532	60 067	146 337
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	2 604 677	2 604 677	2 890 902	3 145 044
Depreciation	-	-	-	-	-	-	86 211	86 211	91 384	96 867
Renewal of Existing Assets	-	-	-	-	-	-	-	2 000	-	-
Repairs and Maintenance	-	-	-	-	-	-	68 229	68 229	72 254	76 446

DC28 King Cetshwayo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
Governance and administration		-	-	-	-	-	-	408 882	640 958	682 384
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	608 662	640 958	682 384
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	19 299	20 450	21 648
Community and social services		-	-	-	-	-	-	224	246	270
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	19 075	20 204	21 376
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	316 266	320 116	343 382
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	245 455	263 917	283 643
Waste water management		-	-	-	-	-	-	45 706	28 697	29 456
Waste management		-	-	-	-	-	-	25 093	27 602	30 352
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	944 418	981 524	1 047 392
Expenditure - Functional										
Governance and administration		-	-	-	-	-	-	189 882	177 888	187 967
Executive and council		-	-	-	-	-	-	41 736	44 733	47 561
Finance and administration		-	-	-	-	-	-	128 145	133 135	140 406
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	55 054	54 780	57 515
Community and social services		-	-	-	-	-	-	32 956	31 871	33 397
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	22 100	22 910	24 418
Economic and environmental services		-	-	-	-	-	-	28 955	27 291	29 672
Planning and development		-	-	-	-	-	-	28 955	27 291	29 672
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	498 353	534 153	560 956
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	411 242	462 358	489 656
Waste water management		-	-	-	-	-	-	46 052	29 001	23 968
Waste management		-	-	-	-	-	-	39 060	42 795	47 352
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	760 246	794 092	836 449
Surplus/(Deficit) for the year		-	-	-	-	-	-	184 172	187 431	210 943

DC28 King Cetshwayo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Economic Development, Planning & Environment		-	-	-	-	-	-	-	-	-
Vote 3 - Community & Social Services		-	-	-	-	-	-	224	246	270
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Environmental Health		-	-	-	-	-	-	19 076	20 204	21 376
Vote 6 - Finance & Administration		-	-	-	-	-	-	608 662	640 958	682 384
Vote 7 - Infrastructure Services		-	-	-	-	-	-	245 455	263 917	283 613
Vote 8 - Waste Management		-	-	-	-	-	-	26 093	27 602	30 362
Vote 9 - Waste Water Management		-	-	-	-	-	-	45 708	28 597	29 456
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	944 418	981 524	1 047 392
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	64 708	69 110	73 401
Vote 2 - Economic Development, Planning & Environment		-	-	-	-	-	-	28 955	27 291	29 672
Vote 3 - Community & Social Services		-	-	-	-	-	-	32 956	31 871	33 397
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Environmental Health		-	-	-	-	-	-	22 100	22 910	24 418
Vote 6 - Finance & Administration		-	-	-	-	-	-	105 177	108 768	114 666
Vote 7 - Infrastructure Services		-	-	-	-	-	-	411 242	462 358	489 656
Vote 8 - Waste Management		-	-	-	-	-	-	39 060	42 785	47 352
Vote 9 - Waste Water Management		-	-	-	-	-	-	48 052	29 001	23 968
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	-	-	-	750 248	784 092	836 449
Surplus (Deficit) for the year	2	-	-	-	-	-	-	194 172	197 431	210 943

DC28 King Cityhway - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue/Sources											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	52 492	55 641	58 980
Service charges - refuse revenue	2	-	-	-	-	-	-	-	7 815	8 697	9 456
Service charges - other	2	-	-	-	-	-	-	-	25 093	27 802	30 362
Rental of facilities and equipment									224	248	270
Interest earned - external investments									6 543	60	50
Interest earned - outstanding debts									37 834	44 308	46 946
Dividends received									310	310	379
Fines, penalties and forfeits											
Licences and permits											
Agency services											
Transfers and subsidies									623 625	617 977	654 453
Other revenue	2	-	-	-	-	-	-	-	824	874	926
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	654 659	655 604	701 804
Expenditure/By Type											
Employee related costs	2	-	-	-	-	-	-	-	229 690	243 241	257 350
Remuneration of councillors									12 153	12 870	13 617
Debt Impairment	3	-	-	-	-	-	-	-	1 815	3 828	1 050
Depreciation & asset impairment	2	-	-	-	-	-	-	-	85 211	91 384	98 667
Finance charges									3 432	3 097	10 199
Bulk purchases	2	-	-	-	-	-	-	-	62 600	65 668	68 382
Other materials									15 655	16 217	18 691
Contracted services	6	-	-	-	-	-	-	-	259 292	278 740	289 595
Transfers and subsidies		-	-	-	-	-	-	-	8 058	6 490	7 190
Other expenditure	4,6	-	-	-	-	-	-	-	75 810	78 658	82 538
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	760 246	794 692	836 449
Surplus/(Deficit)		-	-	-	-	-	-	-	(95 586)	(138 488)	(134 644)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									289 758	325 920	345 585
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	194 172	187 431	210 943
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	194 172	187 431	210 943
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	194 172	187 431	210 943
Share of surplus/(deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	194 172	187 431	210 943

DC28 King Colshwayo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Economic Development, Planning & Environment		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 5 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 6 - Finance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure Services		-	-	-	-	-	-	-	290,768	328,920	348,589
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	290,768	328,920	348,589
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	1,160	100	100
Vote 2 - Economic Development, Planning & Environment		-	-	-	-	-	-	-	100	100	100
Vote 3 - Community & Social Services		-	-	-	-	-	-	-	450	-	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 5 - Environmental Health		-	-	-	-	-	-	-	350	300	300
Vote 6 - Finance & Administration		-	-	-	-	-	-	-	10,724	1,750	1,870
Vote 7 - Infrastructure Services		-	-	-	-	-	-	-	18,870	2,060	2,060
Vote 8 - Waste Management		-	-	-	-	-	-	-	3,650	46,390	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	60	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	35,344	50,890	4,420
Total Capital Expenditure - Vote		-	-	-	-	-	-	-	326,102	377,609	351,009
Capital Expenditure - Functional											
<i>Governance and administration</i>		-	-	-	-	-	-	-	11,874	1,850	1,970
Executive and council		-	-	-	-	-	-	-	1,160	100	100
Finance and administration		-	-	-	-	-	-	-	10,724	1,750	1,870
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	800	300	300
Community and social services		-	-	-	-	-	-	-	450	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	350	300	300
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	100	100	100
Planning and development		-	-	-	-	-	-	-	100	100	100
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	319,328	376,159	346,839
Energy services		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	209,728	328,870	348,638
Waste water management		-	-	-	-	-	-	-	60	-	-
Waste management		-	-	-	-	-	-	-	3,650	46,390	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	-	-	-	-	-	326,102	377,609	351,009
Funded by:											
National Government		-	-	-	-	-	-	-	289,768	325,920	345,589
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	-	-	-	-	289,768	325,920	345,589
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	46,390	-
Internally generated funds		-	-	-	-	-	-	-	36,344	6,300	5,420
Total Capital Funding	7	-	-	-	-	-	-	-	326,102	377,609	351,009

DC28 King Cetshwayo - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash									41,279	66,784	70,676
Call Investment deposits	1	-	-	-	-	-	-	-	340,000	380,000	470,000
Consumer debtors	1	-	-	-	-	-	-	-	26,288	27,794	30,574
Other debtors									20,780	32,769	35,048
Current portion of long-term receivables									45	49	39
Inventory	2								10,873	11,600	13,156
Total current assets		-	-	-	-	-	-	-	439,254	604,335	630,460
Non current assets											
Long-term receivables									178	130	81
Investments											
Investment property											
Investment in Associates											
Property, plant and equipment	3	-	-	-	-	-	-	-	2,694,427	2,680,050	3,133,573
Agricultural											
Biological									10,250	10,842	11,471
Intangible											
Other non-current assets											
Total non current assets		-	-	-	-	-	-	-	2,804,855	2,801,632	3,145,115
TOTAL ASSETS		-	-	-	-	-	-	-	3,635,109	3,399,347	3,765,675
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	6,828	6,870	7,520
Consumer deposits									11,520	12,672	13,940
Trade and other payables	4	-	-	-	-	-	-	-	107,635	111,170	118,746
Provisions									5,677	1,765	1,693
Total current liabilities		-	-	-	-	-	-	-	128,760	138,298	142,109
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	38,633	76,820	68,291
Provisions		-	-	-	-	-	-	-	112,998	123,297	134,659
Total non current liabilities		-	-	-	-	-	-	-	151,631	199,117	202,950
TOTAL LIABILITIES		-	-	-	-	-	-	-	278,291	337,415	344,860
NET ASSETS	5	-	-	-	-	-	-	-	2,776,817	3,041,973	3,420,645
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									2,619,661	2,798,716	3,157,400
Reserves	4	-	-	-	-	-	-	-	263,256	263,256	263,256
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	2,778,817	3,041,973	3,420,645

DC28 King Cetshwayo - Table A7 Budgeted Cash Flows

2017/18 Medium Term Revenue & Expenditure Framework											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									-	-	-
Service charges									77 061	82 878	89 162
Other revenue									7 316	869	918
Government - operating	1								523 525	517 977	554 463
Government - capital	1								289 758	325 820	345 589
Interest									38 144	44 618	47 295
Dividends									-	-	-
Payments											
Suppliers and employees									(645 400)	(684 294)	(718 166)
Finance charges									(6 432)	(8 067)	(10 169)
Transfers and Grants	1								(8 588)	(6 490)	(7 198)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	275 364	273 380	301 895
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									143	43	33
Decrease (increase) in non-current investments									6 079	-	-
Payments											
Capital assets									(326 102)	(377 609)	(351 009)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(319 880)	(377 566)	(350 976)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	46 390	-
Increase (decrease) in consumer deposits									1 047	1 152	1 267
Payments											
Repayment of borrowing									(10 605)	(6 246)	(7 363)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	(9 558)	41 296	(6 096)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	(54 854)	(62 890)	(55 177)
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	303 426	249 372	186 482
		-	-	-	-	-	-	-	249 372	186 482	131 304

DC28 King Cetshwayo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Cash and investments available												
	Cash/equivalents at the year end	1	-	-	-	-	-	-	-	250 172	187 882	132 824
	Other current investments > 90 days		-	-	-	-	-	-	-	134 107	247 802	407 851
	Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:												
			-	-	-	-	-	-	-	384 279	435 784	540 675
Application of cash and investments												
	Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
	Unspent borrowing		-	-	-	-	-	-	-	-	-	-
	Statutory requirements	2	-	-	-	-	-	-	-	82 854	68 333	104 636
	Other working capital requirements	3	-	-	-	-	-	-	-	67 663	82 703	68 876
	Other provisions		-	-	-	-	-	-	-	112 496	123 297	134 656
	Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
	Reserve to be backed by cash/investments	5	-	-	-	-	-	-	-	86 211	81 334	86 867
Total Application of cash and investments:												
			-	-	-	-	-	-	-	349 747	376 717	394 336
Surplus/(shortfall)												
			-	-	-	-	-	-	-	34 532	69 067	146 337

DC28 King Cetchwayo - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	-	-	-	243 352	367 439	311 009
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	226 708	318 769	328 589
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	3 600	46 300	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	230 208	365 159	318 889
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	1 200	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	1 200	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Sanctuaries		-	-	-	-	-	-	-	-	-
License and Rights		-	-	-	-	-	-	7 815	850	800
Intangible Assets		-	-	-	-	-	-	7 815	850	800
Computers Equipment		-	-	-	-	-	-	2 359	450	520
Furniture and Office Equipment		-	-	-	-	-	-	820	700	700
Machinery and Equipment		-	-	-	-	-	-	760	300	300
Transport Assets		-	-	-	-	-	-	800	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	2 000	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	2 000	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	2 000	-	-

DC28 King Cetshwayo - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	80 750	10 150	20 000
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	25 009	8 000	14 500
Sanitation Infrastructure		-	-	-	-	-	-	65 741	2 150	6 500
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	80 750	10 150	20 000
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	253 717	326 769	343 089
Sanitation Infrastructure		-	-	-	-	-	-	65 741	2 150	6 500
Solid Waste Infrastructure		-	-	-	-	-	-	3 600	45 390	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	312 658	375 309	349 589
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	1 200	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	1 200	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	7 815	850	900
Intangible Assets		-	-	-	-	-	-	7 815	850	900
Computer Equipment		-	-	-	-	-	-	2 359	450	520
Furniture and Office Equipment		-	-	-	-	-	-	820	700	700
Machinery and Equipment		-	-	-	-	-	-	750	300	300
Transport Assets		-	-	-	-	-	-	600	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	-	-	-	324 102	377 609	351 009

DC28 King Cetshwayo - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
R thousand										
ASSET REGISTER SUMMARY - PPE (MDV)										
Roads Infrastructure	5									
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure								1 790 976	2 055 409	2 328 979
Sanitation Infrastructure								86 896	87 357	80 950
Solid Waste Infrastructure								633 731	646 150	648 397
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure								2 813 706	2 808 811	3 068 326
Community Facilities								8 186	8 186	8 186
Sport and Recreation Facilities										
Community Assets								8 186	8 186	8 186
Heritage Assets								760	760	760
Revenue Generating										
Non-revenue Generating										
Investment properties										
Operational Buildings								61 770	61 016	61 067
Housing										
Other Assets								61 770	61 016	61 067
Biological or Cultivated Assets										
Sanctuaries										
Licences and Rights								8 922	8 922	8 922
Intangible Assets							8 922	8 922	8 922	
Computer Equipment							3 214	2 263	1 206	
Furniture and Office Equipment							1 343	1 003	542	
Machinery and Equipment							601	771	543	
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (MDV)	6	-	-	-	-	-	2 804 877	2 800 802	3 143 644	
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	85 211	91 384	96 867	
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	88 229	72 234	74 448	
Roads Infrastructure		-	-	-	-	-	-	-	-	
Storm water Infrastructure		-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	66 468	70 389	74 472	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	
Infrastructure		-	-	-	-	-	86 468	70 389	74 472	
Community Facilities		-	-	-	-	-	260	265	280	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	760	763	760	
Heritage Assets		-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	600	635	672	
Housing		-	-	-	-	-	-	-	-	
Other Assets		-	-	-	-	-	600	635	672	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	
Sanctuaries		-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	
Computer Equipment		-	-	-	-	-	-	-	-	
Furniture and Office Equipment		-	-	-	-	-	6	7	7	
Machinery and Equipment		-	-	-	-	-	-	-	-	
Transport Assets		-	-	-	-	-	803	958	1 014	
Libraries		-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	-	-	184 440	183 838	173 312	


DC28 King Catchways - Table A10 Basic service delivery measurement

Description	Rd	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	40,741	41,148	41,660
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	68,648	69,232	69,824
Using public tap (at least min. service level)	2	-	-	-	-	-	-	29,675	29,671	30,188
Other water supply (at least min. service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	3	-	-	-	-	-	-	128,961	130,251	131,653
Using public tap (< min. service level)	4	-	-	-	-	-	-	10,203	10,305	10,408
Other water supply (< min. service level)	4	-	-	-	-	-	-	-	-	-
No water supply	4	-	-	-	-	-	-	56,234	56,796	57,354
<i>Below Minimum Service Level sub-total</i>	5	-	-	-	-	-	-	66,437	67,102	67,773
Total number of households	6	-	-	-	-	-	-	195,398	197,352	199,326
Sanitation/sewage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	40,741	41,148	41,660
Flush toilet (with septic tank)		-	-	-	-	-	-	5,713	5,770	5,828
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	58,603	59,488	60,483
Other toilet provisions (> min. service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	144,857	146,407	147,971
Bucket toilet		-	-	-	-	-	-	60,441	60,946	61,455
Other toilet provisions (< min. service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	60,441	60,946	61,455
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	60,441	60,946	61,455
Total number of households	6	-	-	-	-	-	-	195,398	197,352	199,326

2. The tariffs and charges as reflected for the 2017/2018, with the indicative outer two years as per Annexure A be approved.
3. The long term financial plan to assess the financial health of the Municipality be compiled during the 2017/2018 financial year.
4. The budget for the water tankering and the service support agency be prioritized in the February 2018 adjustment budget, and any savings from operational budget, including salaries, be redirected to this budget.
5. The Municipality to consider further resourcing of the Technical Services Department as a core function, should the financial position of the Municipality show improvements or from any savings in the February 2018 adjustment budget.
6. The following positions which have to be included in the approved organogram be funded through 2017/2018 budget as indicated below :
 - Chief Operations Officer (COO)
 - Senior Manager : Communications
 - Manager : IT Governance and Security
7. The comments by the Provincial Treasury on the tabled 2017/2018 budget and the responses thereto, be noted.
8. The Local Municipalities be urged to provide funding as contribution towards the SALGA Games.

9. The provision for the hosting of SALGA Games be accommodated and be dealt with administratively.

Thank You



Ms Z Conco